

Walker Chandlok & Co LLP

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Independent Auditor's Review Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

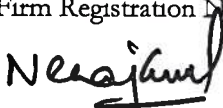
To the Board of Directors of Gobind Sugar Mills Limited

1. We have reviewed the accompanying statement of unaudited financial results ("Statement") of Gobind Sugar Mills Limited ("the Company") for the quarter ended 31 December 2018 and the year to date results for the period 01 April 2018 to 31 December 2018, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognized accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandlok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Neeraj Goel

Partner

Membership No. 099514



Place: Gurugram

Date: 7 February 2019

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandlok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

GOBIND SUGAR MILLS LIMITED

Registered Office : 9/1, R.N. Mukherjee Road, Kolkata - 700001

Website : www.gobindsugar.com, email : ig.gsml@adventz.com, Phone : +91-124-4827800, CIN : L15421WB1952PLC020577

Unaudited Financial Results for quarter and nine months ended 31 December 2018
(INR in lac except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2018	30 September 2018	31 December 2017	31 December 2018	31 December 2017	31 March 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income from operations						
(a) Revenue from operations	11,805.29	7,575.15	7,262.91	37,043.03	23,007.18	29,432.87
(b) Other income	786.77	1,127.93	624.42	2,440.90	1,327.55	2,516.83
Total income from operations	12,592.06	8,703.08	7,887.33	39,483.93	24,334.73	31,949.70
2 Expenses						
(a) Cost of raw materials consumed	7,753.71	20.24	15,127.67	16,687.48	16,264.99	41,872.06
(b) Change in inventories of finished goods and work-in-progress	2,625.44	7,810.84	(10,925.11)	15,476.52	1,136.24	(20,910.29)
(c) Excise duty and cess on sale of goods	-	-	-	-	343.27	343.27
(d) Employee benefits expenses	513.67	448.29	544.46	1,580.99	1,363.04	1,997.40
(e) Finance costs	1,656.01	1,618.20	1,284.07	4,940.90	4,475.07	6,179.43
(f) Depreciation and amortisation expenses	452.98	474.43	407.38	1,292.82	1,210.06	1,697.97
(g) Other expenses	1,749.10	1,373.87	959.26	4,505.85	2,052.04	3,225.36
Total expenses	14,750.91	11,745.87	7,397.73	44,484.56	26,844.71	34,405.20
3 (Loss)/Profit before tax (1-2)	(2,158.85)	(3,042.79)	489.60	(5,000.63)	(2,509.98)	(2,455.50)
4 Tax expense:						
(a) Current tax	-	-	-	-	-	-
(b) Deferred tax credit/(charge)	55.97	1,066.86	(210.54)	852.20	750.03	398.14
5 (Loss)/Profit for the period/year (3+4)	(2,102.88)	(1,975.93)	279.06	(4,148.43)	(1,759.95)	(2,057.36)
6 Other comprehensive income (OCI)						
Items that will not be reclassified to profit and loss						
Remeasurement of defined benefit plans	(54.74)	(99.00)	(32.35)	(164.24)	(97.66)	(218.99)
Equity instruments designated at fair value through OCI	(0.85)	1.01	0.22	0.20	1.27	1.47
Income tax effect	19.31	33.90	11.56	56.84	33.80	75.28
Total other comprehensive loss	(36.28)	(64.09)	(20.57)	(107.20)	(62.59)	(142.24)
7 Total comprehensive income/(loss) for the period/year (5+6)	(2,139.16)	(2,040.02)	258.49	(4,255.63)	(1,822.54)	(2,199.60)
8 Paid-up equity share capital	373.09	320.00	320.00	373.09	320.00	320.00
(Face value per share INR 10/- each)						
9 Other equity excluding revaluation reserves	-	-	-	-	-	11.24
10 Earnings per share (INR 10/- each) (not annualised)(Basic and diluted)	(54.42)	(61.75)	8.72	(121.22)	(55.00)	(64.29)

Segment information:-

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2018	30 September 2018	31 December 2017	31 December 2018	31 December 2017	31 March 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Segment revenue (Revenue from operations)						
a) Sugar	11,741.45	7,575.15	7,482.04	35,277.29	21,791.12	28,618.28
b) Power	1,581.77	47.74	2,639.85	5,006.69	4,180.76	8,691.59
Sub total	13,323.22	7,622.89	10,121.89	40,283.98	25,971.88	37,309.87
Less : Inter segment revenue	1,517.93	47.74	2,858.98	3,240.95	2,964.70	7,877.00
Total revenue	11,805.29	7,575.15	7,262.91	37,043.03	23,007.18	29,432.87
2 Segment results						
a) Sugar	(1,894.19)	(2,599.20)	(14.59)	(4,787.34)	(1,445.21)	(3,112.72)
b) Power	221.85	(379.08)	732.40	986.61	562.24	2,369.24
Sub total	(1,672.34)	(2,978.28)	717.81	(3,800.73)	(882.97)	(743.48)
Less : Finance costs	1,243.28	1,162.43	853.59	3,550.80	2,953.92	4,108.86
Add/less: Unallocable incomes/ expenses (net of unallocable expenses/ incomes)	756.77	1,097.92	625.38	2,350.90	1,326.91	2,396.84
(Loss)/Profit before tax	(2,158.85)	(3,042.79)	489.60	(5,000.63)	(2,509.98)	(2,455.50)
3 Segment assets						
a) Sugar	46,794.53	60,704.27	42,352.34	46,794.53	42,352.34	65,539.43
b) Power	15,215.01	19,849.25	19,637.61	15,215.01	19,637.61	21,062.41
c) Unallocated	11,126.21	9,076.85	8,415.87	11,126.21	8,415.87	8,242.03
Total	73,135.75	89,630.37	70,405.82	73,135.75	70,405.82	94,843.87
4 Segment liabilities						
a) Sugar	26,095.02	44,328.16	24,488.95	26,095.02	24,488.95	48,413.26
b) Power	-	-	-	-	-	-
c) Unallocated	63,822.75	47,087.44	45,211.25	63,822.75	45,211.25	46,099.37
Total	89,917.77	91,415.60	69,700.20	89,917.77	69,700.20	94,512.63

Note : The Company reports (i) Sugar and (ii) Power as segments in accordance with Ind AS 108 "Operating Segments".

 SIGNED FOR
IDENTIFICATION

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GOBIND SUGAR MILLS LIMITED

Registered Office : 9/1, R.N. Mukherjee Road, Kolkata - 700001

Website : www.gobindsugar.com, email : ig.gsmi@adventz.com, Phone : +91-124-4827800, CIN : L15421WB1952PLC020577

Notes to Unaudited Financial Results for quarter and nine months ended 31 December 2018

- 1 Sugar is a seasonal industry where crushing normally takes place during the period between November and April, while sales are distributed throughout the year. Bagasse based co-generation power plant is affected by the availability of bagasse, which is a by product of the sugar cane.
- 2 The financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013.
- 3 As at 31 March 2018, the Company has valued its inventory of finished goods and work in process based on Net Realizable Value ("NRV") which is lower than the cost of finished goods and work in process. The audit report for the quarter ended 31 March 2018 has been qualified in the absence of necessary audit evidences supporting NRV used by the management of the Company for valuation of finished goods and work in process. However, subsequently the NRV of finished goods increased beyond cost of finished goods during the current year. Review reports for the quarters and nine months ended 31 December 2018 and 31 December 2017, and quarter ended 30 September 2018 have not been qualified.
- 4 The Company carries an amount of INR. 9,133.75 lacs as deferred tax assets (net) as at 31 December 2018. The management of the Company is confident of generating sufficient taxable profits in the near future considering the power purchase arrangements with the Uttar Pradesh Power Corporation Limited, positive expected cash flows, future expansion plans like setting up of Distillery having capacity of 100,000 litres per day, 16 MW Co-generation Power Plant and industry focused trade policies of the government.
- 5 The Central Government pursuant to Notification No. 1(5)/2018-S.P.-I dated 9 May 2018 issued by Ministry of Consumer Affairs (Department of Food and Public Distribution), has notified a scheme of assistance to sugar mills against sugar cane crushed during sugar season 2017-18. Pursuant to the aforementioned notification, during the year ended 31 March 2018, the Company had accounted for such grant amounting to INR 680.44 lacs. However, based upon non-fulfillment of extended conditions of the aforementioned notification, the Company has derecognized such receivable amount during the current quarter.
- 6 The State Government pursuant to Notification No. 15/2018/1719/46-3-18-3 (36-A)/2018 issued by Uttar Pradesh Shasan Chini Udyog Anubhag-3 has notified a scheme "Scheme for Extending Financial Assistance to Sugar Undertakings - 2018" (the "Scheme") for settlement of sugar cane price dues for crushing season 16-17 and 17-18 by providing loans to sugar industries at subsidised rates of interest and cane subsidy at the rate of INR 4.50/- per qntl of sugar cane crushed during the aforementioned crushing season. Under the Scheme, the Company has recorded an amount of INR 664.29 lacs as grant for crushing season 17-18 during the period ended 31 December 2018.
- 7 The Central Government pursuant to notification dated 19 July 2018, issued by Ministry of Consumer Affairs (Department of Food and Public Distribution) has notified the scheme namely - "Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity" with the objective of increasing and augmentation of ethanol production. Under the said scheme, sugar mills will receive interest subvention @ 6% per annum or 50% of rate of interest charged by banks, whichever is lower on amount of loans sanctioned in form of assistance under the aforementioned scheme. On 29 September 2018, the Company has got the in-principal approval of loan amounting to INR 9,660 lacs under the said scheme, for setting up of its Distillery having capacity of 100,000 litres per day. Such amount is yet to be disbursed to the Company.
- 8 During the period ended 31 December 2018, on 14 November 2018, the Company has :
 - i) Issued 530,917 Equity Shares to one of the Promoters (Zuari Investments Limited or "ZIL") of the Company on preferential basis at INR 100/- per Equity Share (face value of INR 10/- and share premium being INR 90/- per Equity Share); and
 - ii) Issued 742,130 Compulsorily Convertible Preference Shares ("CCPS") to ZIL on preferential basis at INR 100/- per CCPS (face value of INR 10/- and share premium being INR 90/- per CCPS).
- 9 Post applicability of Goods and Service Tax Act (GST), w.e.f. 01 July 2017, the revenue is disclosed net of GST. Accordingly, the revenue from operations for nine months ended 31 December 2018 is not comparable with previous year's corresponding reported periods as Excise duties formed part of revenue from operations and expenses during the previous period upto 30 June 2017.
- 10 Ind AS 115, Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018 and has replaced existing revenue recognition requirements under Ind AS 18, Revenue. Under the revised reporting standard, i.e. Ind AS 115, no adjustment is required to be made to the retained earnings as at 1 April 2018.
- 11 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 7 February 2019.

For and on behalf of the Board of Directors of
Gobind Sugar Mills Limited


R.S. Raghavan
(Managing Director)
DIN No. 00362555



**SIGNED FOR
IDENTIFICATION
PURPOSES**



Place: Gurugram
Date: 7 February 2019